

ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2009

OF THE CONDITION AND AFFAIRS OF THE

CareFirst BlueChoice, Inc.

•	rent Period) , _	(Prior Period)	NAIC Company	Code 96202	Employer's ID	Number	52-1358219
Organized under the Laws of	•	District of Colum	bia	, State of Domicile o	r Port of Entry	Distric	t of Columbia
Country of Domicile				United States			
Licensed as business type:	Life, Accident 8	& Health []	Property/Cas	ualty[] H	lospital, Medical &	Dental Servi	ice or Indemnity []
	Dental Service	Corporation []	Vision Servic	e Corporation [] H	lealth Maintenance	e Organizatio	n[X]
	Other []	on position []		derally Qualified? Yes			[]
	Other []		13 1 11010, 1 0	deraily Qualified: 163	[] NO[X]		
Incorporated/Organized		06/22/1984	Co	mmenced Business		03/01/198	5
Statutory Home Office		840 First Stree	,	,		ton, DC 2006	
		(Street and Numl	per)		(City, Sta	te and Zip Code)	
Main Administrative Office				10455 Mill Run Circ	cle		
Owi	ngs Mills, MD 21	117		(Street and Number)	410-581-300)	
(0	ity, State and Zip Coo	le)		(/	Area Code) (Telephone	Number)	
Mail Address		Mill Run Circle d Number or P.O. Box)	:		Owings Mills, (City, State and		
Primary Location of Books a	`	a realiser of 1 .O. Box)		10455 Mil	II Run Circle	Zip code)	
•		_			ind Number)		
	ngs Mills, MD 21 ity, State and Zip Cod			(Area C	410-998-701 Code) (Telephone Numb		
Internet Web Site Address	,, <u></u> <u></u> <u></u> <u></u>	•		www.carefirst.com	. 130) (. Siephone Humb	, (=	
Statutory Statement Contact	·	William Vincent S			410.00	98-7011	
,	-	(Name)	Jack		(Area Code) (Telepho	ne Number) (Ext	ension)
bill.	stack@carefirst. (E-Mail Address)	com			410-998-6850 (Fax Number))	
	((
			OFFICE				
Name	_	Title		Name			Title
Jon Paul Shematek M		President		Lisa Marlene M			ecretary
Jeanne Ann Kenned	<u>y</u> ,	Treasurer	TUED OF	Joseph Petra	<u>alia</u> ,	ASSIST	ant Secretary
55			THER OF			E) (B. O) :	
David Donald Wolf	<u> </u>	EVP, Medical Syst		Gregory Allen De			ef Mktg Officer
Sharon Jean Vecchio		EVP, Chief of St		Gregory Mark Ch			P, CFO P, Sales
Gwendolyn Denise Skil Maria Harris Tildon		SVP, General Aud SVP, Public Poli		Michael John Fe Rita Ann Coste			egic Marketing
Fred Adrian Walton Plur	,	SVP, ASU-FER		Kenny Waitem F	,		hief Actuary
Dennis Allen Cupido		SVP, ASU-Large G		Alok Gupta	<u>, </u>		P, CIO
Dennis Allen Cupiac	,	SVF, ASU-Large G	10ups	Alok Gupta	,		ic Managed Care
Michael Bruce Edwar		SVP, Networks M		Kevin Charles O'N	leill #,	Init	tiatives
Andrew Francis Sulliva		VP, ASU-Consume		Glen Rothma	n ,	SVP, Sha	ared Services
Steven Jon Margolis	#, <u>SVP</u> ,	, ASU-Small & Medi					
				TRUSTEES			
Jon Paul Shematek M		David Donald W	olf	Gregory Mark Ch	aney	Gregory	Allen Devou
John Anthony Picciot	<u> </u>						
State of							
County of							
The officers of this reporting en above, all of the herein describe that this statement, together will liabilities and of the condition an and have been completed in ac may differ; or, (2) that state rule knowledge and belief, respective when required, that is an exact regulators in lieu of or in additional control of the condition of the condi	ed assets were the th related exhibits and affairs of the sa cordance with the les or regulations re ely. Furthermore, copy (except for	e absolute property of to schedules and expla- id reporting entity as of NAIC Annual Statemen equire differences in re- the scope of this attest formatting differences	the said reporting enations therein confither reporting period instructions and apporting not related tation by the descriptions.	entity, free and clear from ntained, annexed or refer od stated above, and of it Accounting Practices and to accounting practices a bed officers also includes	any liens or claims to the red to, is a full and its income and deduct the red deduct the red deduct the red deduct the related corresponding to the related corresponding to the related corresponding the related corresponding to the related the related corresponding the related corresponding the related t	hereon, excep true statemen tions therefron except to the e ording to the be onding electror	t as herein stated, and t of all the assets and n for the period ended, xtent that: (1) state law est of their information, nic filing with the NAIC,
Jon Paul Shen Preside			Lisa Marlene Secreta	•	- Je	eanne Ann Ke Treasure	,
				a. Is th	is an original filing	?	Yes [X] No []
Subscribed and sworn to b	efore me this			b. If no):		
day of	,				ate the amendmer ate filed	it number	
					ate filed umber of pages att	ached	
					, 5		

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
0199999 Total individuals						
Group subscribers:	40,000,500					10.000.500
Federal Employee Program						16,299,583
0299997 Group subscriber subtotal	16,299,583	l				16,299,583
0299998 Premiums due and unpaid not individually listed		5,701,727	1,155,386	3,410,344	3,410,344	36,036,288
0299999 Total group	45,478,758	5.701.727	1,155,386	3 . 410 . 344	3.410.344	52,335,871
0399999 Premiums due and unnaid from Medicare entities	45,476,730		1, 100,000			JZ,000,071
0399999 Premiums due and unpaid from Medicare entities 0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 13)	45,478,758	5,701,727	1,155,386	3,410,344	3,410,344	52,335,871
coodes , tooleent and notating promising date and anjude (1 age 2, Ellie 10)	40,470,730	3,701,727	1,100,000	3,410,044	3,410,044	32,000,011

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199998 - Aggregate of amounts not individually listed above.	5,279,157	3,341,716	8,126	27,409	27,409	8,628,999
0199999 - Totals - Pharmaceutical rebate receivables	5,279,157	3,341,716	8,126	27,409	27,409	8,628,999
0200008 - Agregate of amounts not individually listed shove	5,887	1,943	76,718	1,482,708	1,567,256	0,020,333
0299998 - Aggregate of amounts not individually listed above. 0299999 - Totals - Claim Overpayment Receivables Loans and Advances to Providers	5,887	1.943	76,718	1,482,708	1.567.256	0
Togs and Advances to Principles	0,007	1,010	70,710	1,102,700	1,007,200	
Tohns Hank ins Hasnital	4 469 800					4,469,800
University of Maryland Hospital	4,469,800 5,416,500					5,416,500
0399998 - Aggregate of amounts not individually listed above.	30,609,800					30,609,800
Johns Hopkins Hospital	40,496,100	0	0	0	0	40,496,100
	,,		•		·	30,100,100
				 		
				 		
				 		
0799999 Gross health care receivables	45,781,144	3,343,659	84,844	1,510,117	1,594,665	49,125,099
07 00000 Cross ficular date reservables	45,761,144	3,343,009	04,044	1,310,117	1,394,003	49,120,0

EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

	Aging Analysis of Unpaid	Claims				
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)			-			
0199999 Individually listed claims unpaid	0	0	0	0	()
0299999 Aggregate accounts not individually listed-uncovered						
0399999 Aggregate accounts not individually listed-covered	11,494,214	1,362,981				12,857,19
0499999 Subtotals	11,494,214	1,362,981	0	0	[12,857,19
0599999 Unreported claims and other claim reserves						122,801,70
0699999 Total amounts withheld						405.050.00
0799999 Total claims unpaid						135,658,89
0899999 Accrued medical incentive pool and bonus amounts						

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admi	tted
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Group Hospital and Medical Services	18,789,475					18,789,475	
			ļ				
			 	ļ			
							
0199999 Individually listed receivables 0299999 Receivables not individually listed	18 , 789 , 475	0	0	0	0	18,789,475	0
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable	18,789,475	0	0	0	0	18,789,475	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
CareFirst of Maryland	General Administrative Expenses	12,441,733	12,441,733	
		, ,		
0100000 Individually listed payables	1	12,441,733	12,441,733	Λ
0199999 Individually listed payables 0299999 Payables not individually listed 0399999 Total gross payables		12,441,733	12,441,733	U
0200000 Tatal group population		12,441,733	12,441,733	0
logagaaa Lorar Arosa hayanies		12,441,733	12,441,733	U

EXHIBIT 7 - PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups		0.0		0.0		
Intermediaries	6,475,936	0.4	829,561	155.5	0	6,475,936
3. All other providers	6,090,644	0.3		158.5	0	6,090,644
Total capitation payments	12,566,580	0.8	1,674,823	314.1	0	12,566,580
Other Payments:						1
5. Fee-for-service		4.5	XXX	XXX		69,381,327
Contractual fee payments	1,444,040,813	94.6	L XXX	XXX		1,444,040,813
Bonus/withhold arrangements - fee-for-service	0	0.0	L XXX	XXX		<u> </u>
Bonus/withhold arrangements - contractual fee payments	0	0.0	xxx	XXX		<u> </u>
9 Non-contingent salaries	0	0.0	XXX	XXX		İ
10. Aggregate cost arrangements	0	0.0	XXX	XXX		<u> </u>
11. All other payments	0 1	0.0	XXX	XXX		
12. Total other payments	1,513,422,140	99.1	XXX	XXX	0	1,513,422,140
13. Total (Line 4 plus Line 12)	1,525,988,720	100 %	XXX	XXX	0	1,525,988,720

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4 Average Monthly	5	6 Intermediary's Authorized
			Monthly	Intermediary's	Authorized
NAIC Code	Name of Intermediary	Capitation Paid	Capitation	Total Adjusted Capital	Control Level RBC
	Magellan Health Services.	4,631,518	385,960		
	Davis Vision	1,844,418	153,702		
					<u> </u>
9999999 Totals		6,475,936	XXX	XXX	XXX

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
Administrative furniture and equipment						
Medical furniture, equipment and fixtures						
Pharmaceuticals and surgical supplies	 					
Durable medical equipment						
5. Other property and equipment						
6. Total	0	0	0	0	0	0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

AIC Group Code 00380 BUSINESS IN THE STATE OF	District of Columbia			DURING THE YEAR	2000			(LOCATION)	C Company Code	96202
aio gioup coue 00300 BOSINESS IN THE STATE OF	1	Compre (Hospital &		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	79,153	4,906	53,878				20,369			
2 First Quarter	83,333	4 ,068	54,863				24,402			
3 Second Quarter	85,797	4,496	56,044				25,257			
4. Third Quarter	88,429	4,674	57 , 378				26,377			
5. Current Year	90,319	4,448	58,202				27,669			
6 Current Year Member Months	1,036,373	52,381	677,136				306,856			
Total Member Ambulatory Encounters for Year:										
7. Physician	1,124,553	48,893	890,327				185,333			
8. Non-Physician	102,234	3,782	77,684				20,768			
9. Total	1,226,787	52,675	968,011	0	0	0	206,101	0	0	
10. Hospital Patient Days Incurred	50,399	1,786	36,982				11,631			
11. Number of Inpatient Admissions	12,625	542	9,694				2,389			
12. Health Premiums Written (b)	301,497,890	4,863,504	183,958,668			2,462,282	110,213,436			
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	304,135,421	4,863,504	183,958,668			2,462,282	112,850,967			
16. Property/Casualty Premiums Earned	0	·								
17. Amount Paid for Provision of Health Care Services	246,603,326	4,261,420	136,798,934			1,561,870	103,981,102			
18. Amount Incurred for Provision of Health Care Services	249,332,669	4,371,995	135,828,119			1,561,453	107,571,102			

⁽a) For health business: number of persons insured under PPO managed care products ______and number of persons under indemnity only products _____

⁽b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION CareFirst BlueChoice, Inc. 2.

NAIC Group Code 00380 BUSINESS IN THE STATE C	F Marvland			DURING THE YEAR	2009			(LOCATION) NA	IC Company Code	96202
	1	Compre (Hospital 8		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	399,651	23,382	376,050			219				
2 First Quarter	398,276	24 , 540	373,632			104				
3 Second Quarter	397,618	25,262	372,102			254				
4. Third Quarter	377,789	24,739	352,745			305				
5. Current Year	378,766	26,289	352,141			336				
6 Current Year Member Months	4,651,710	302,133	4,346,746			2,831				
Total Member Ambulatory Encounters for Year:										
7. Physician	1,536,496	85,452	1,451,044							
8. Non-Physician	184,029	9,113	174,916							
9. Total	1,720,525	94,565	1,625,960	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	69,991	3,412	66,579							
11. Number of Inpatient Admissions	19,412	990	18,422							
12. Health Premiums Written (b)	1,344,428,118	57 , 232 , 237	1,282,525,789			4,670,092				
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	1,344,428,118	57,232,237	1,282,525,789			4,670,092				
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	1,110,790,911	51,483,853	1,056,066,279			3,240,779				
18. Amount Incurred for Provision of Health Care Services	1,095,889,413	50,660,505	1,041,939,280			3,289,628				

(a) For health business: number of persons insured under PPO managed care products ______ and number of persons under indemnity only products _____

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

AIC Group Code 00380 BUSINESS IN THE STATE C	E Virginia			DURING THE YEAR	2000			(LOCATION)	IC Company Code	96202
AIC GIOUP COUR 00300 BUSINESS IN THE STATE C	1	Compre (Hospital 8		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	62,697	1,692	60,982			23				
2 First Quarter	63,343	1,732	61,599			12				
3 Second Quarter	63,921	1,898	62,005			18				
4. Third Quarter	64,007	1,915	62,074			18				
5. Current Year	64,096	2,011	62,073			12				
6 Current Year Member Months	764,520	22,052	742,282			186				
Total Member Ambulatory Encounters for Year:										
7. Physician	351,742	7 ,464	344,278							
8. Non-Physician	32,081	736	31,345							
9. Total	383,823	8,200	375,623	0	0	0	0	0	0	
10. Hospital Patient Days Incurred	13,602	489	13,113							
11. Number of Inpatient Admissions	3,372	118	3,254							
12. Health Premiums Written (b)	218,735,794	2,935,225	213,409,258			2,391,311				
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	218 ,735 ,794	2,935,225	213,409,258			2,391,311				
16. Property/Casualty Premiums Earned	0					· 				
17. Amount Paid for Provision of Health Care Services	168,594,483	3,526,132	163,205,564			1,862,787				
18. Amount Incurred for Provision of Health Care Services	167,001,775	3,560,728	161,559,688			1,881,359				

⁽a) For health business: number of persons insured under PPO managed care products _____ and number of persons under indemnity only products _____

⁽b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION CareFirst BlueChoice, Inc. 2.

AIC Group Code 00380 BUSINESS IN THE STATE C	OF Consolidated			DURING THE YEAR 2	009			(LOCATION) NAI	C Company Code	96202
	1	Compre (Hospital &	& Medical)	4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	541,501	29,980	490,910	0	0	242	20,369	0	0	
2 First Quarter	544,952	30,340	490,094	0	0	116	24,402	0	0	
3 Second Quarter	547 ,336	31,656	490 , 151	0	0	272	25,257	0	0	
4. Third Quarter	530,225	31,328	472,197	0	0	323	26,377	0	0	
5. Current Year	533,181	32,748	472,416	0	0	348	27,669	0	0	
6 Current Year Member Months	6,452,603	376,566	5,766,164	0	0	3,017	306,856	0	0	
Total Member Ambulatory Encounters for Year:										
7. Physician	3,012,791	141,809	2,685,649	0	0	0	185,333	0	0	
8. Non-Physician	318,344	13,631	283,945	0	0	0	20,768	0	0	
9. Total	3,331,135	155,440	2,969,594	0	0	0	206,101	0	0	
Hospital Patient Days Incurred	133,992	5,687	116,674	0	0	0	11,631	0	0	
11. Number of Inpatient Admissions	35,409	1,650	31,370	0	0	0	2,389	0	0	
12. Health Premiums Written (b)	1,864,661,802	65,030,966	1,679,893,715	0	0	9,523,685	110,213,436	0	0	
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	
15. Health Premiums Earned	1,867,299,333	65,030,966	1,679,893,715	0	0	9,523,685	112,850,967	0	0	
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0]	0	
17. Amount Paid for Provision of Health Care Services	1,525,988,720	59,271,405	1,356,070,777	0	0	6,665,436	103,981,102	0	0	
18. Amount Incurred for Provision of Health Care Services	1,512,223,857	58,593,228	1,339,327,087	0	0	6,732,440	107,571,102	0	0	

⁽a) For health business: number of persons insured under PPO managed care products _____and number of persons under indemnity only products ____

⁽b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$

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SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
								Reserve Liability Other Than For			
NAIC					Type of			Other Than For	Reinsurance	Modified	
Company Code	Federal ID				Reinsurance		Unearned	Unearned	Payable on Paid	Coinsurance	Funds Withheld
Code	Number	Effective Date	Name of Reinsured	Location	Assumed	Premiums	Premiums	Premiums	and Unpaid Losses	Reserve	Under Coinsurance
Affiliates								•			
13130	52-1840919	04/01/2008	The Dental Network	10455 Mill Run Circle, Owings Mills, MD	QA/G/A	9,414,958			700 , 104		
0199999 -	Total Affiliates			•	•	9,414,958	0	0	700,104	0	0
											
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0399999	lotais					9,414,958	0	1 0	700,104	0	1 0

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

NAIC Company Federal ID Code Number Effective Date Name of Company Location Paid Losses NAIC Number Effective Date Name of Company Name of Co	7
	Unpaid Losse
NONE	
NONE	
NONE	
NONE	
NONE	
NONE	
NONE	
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0799999 Totals-Life, Annuity and Accident and Health 0	

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding	Surplus Relief	12	13
NAIC							l <u>.</u> .	Reserve Credit Taken Other than for Unearned Premiums	10	11	Modified	
Company	Federal ID	Effective Date	Name of Company	Location	Туре	Premiums	Unearned Premiums	Taken Other than for	Current Year	Prior Year	Coinsurance Reserve	Funds Withheld Under Coinsurance
Total Author	orized General Ad	rount - Affiliate	20	Location	Турс	1 Territoriis	(Latimated)	Officarried Fremiums	Current real	T HOLLEAN	reserve	Orider Comsurance
53007 47058	53-0078070	01/01/2007	Group Hospitalziation and Med Svc, Inc	840 First Street NE, Washington DC	LRSL/G/ALLL	10,000 15,000						
47058	52-1385894	01/01/2007	CareFirst of Maryland	_ 10455 Mill Run Circle, Owings Mills, MD	LRSL/G/A	15,000						
0199999	- Total Authorize	ed General Account	- Affiliates			25,000	0	0	0	0	0	0
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1599999	7 Totals					25,000	0	0	0	0	0	0

SCHEDULE S - PART 4

	Reinsurance Ceded to Unauthorized Companies												
1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code		Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Cols. (5+6+7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers			Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
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1199999 Total

Schedule S - Part 5

Five-Year Exhibit of Reinsurance Ceded Business (000 Omitted)

		(000 (Omitted)			
		1 2009	2 2008	3 2007	4 2006	5 2005
Α. (OPERATIONS ITEMS					
1.	Premiums	25	25	25	0	0
2.	Title XVIII-Medicare	0	0	0	0	0
3.	Title XIX-Medicaid	0	0	0	0	0
4.	Commissions and reinsurance expense allowance		0	0	0	0
5.	Total hospital and medical expenses		0	0	0	0
В. І	BALANCE SHEET ITEMS					
6.	Premiums receivable		0	0	0	0
7.	Claims payable		0	0	0	0
8.	Reinsurance recoverable on paid losses	0	0	0	0	0
9.	Experience rating refunds due or unpaid		0	0	0	0
10.	Commissions and reinsurance expense allowances unpaid		0	0	0	0
11.	Unauthorized reinsurance offset	0	0	0	0	0
	UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12.	Funds deposited by and withheld from (F)	0	0	0	0	0
13.	Letters of credit (L)	0	0	0	0	0
14.	Trust agreements (T)	0	0	0	0	0
15.	Other (O)	0	0	0	0	0

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

		1	2	3
		As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	565,501,131		565,501,131
2.	Accident and health premiums due and unpaid (Line 13)	52,335,871		52,335,871
3.	Amounts recoverable from reinsurers (Line 14.1)	0		0
4.	Net credit for ceded reinsurance	xxx	0	0
5.	All other admitted assets (Balance)	91,387,995	0	91,387,995
6.	Total assets (Line 26)	709,224,997	0	709,224,997
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	135,658,896	0	135,658,896
8.	Accrued medical incentive pool and bonus payments (Line 2)	0		0
9.	Premiums received in advance (Line 8)	41,298,508		41,298,508
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)	0		0
11.	Reinsurance in unauthorized companies (Line 18)	0		0
12.	All other liabilities (Balance)	61,531,123	0	61,531,123
13.	Total liabilities (Line 22)	238,488,527	0	238 , 488 , 527
14.	Total capital and surplus (Line 31)	. 470,736,470	XXX	470,736,470
15.	Total liabilities, capital and surplus (Line 32)	709,224,997	0	709,224,997
	NET CREDIT FOR CEDED REINSURANCE			
16.	Claims unpaid	0		
17.	Accrued medical incentive pool	0		
18.	Premiums received in advance	0		
19.	Reinsurance recoverable on paid losses	0		
20.	Other ceded reinsurance recoverables	. 0		
21.	Total ceded reinsurance recoverables	. 0		
22.	Premiums receivable	0		
23.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
24.	Unauthorized reinsurance	0		
25.	Other ceded reinsurance payables/offsets	. 0		
26.	Total ceded reinsurance payables/offsets	. 0		
27.	Total net credit for ceded reinsurance	0		

SCHEDULE T – PART 2 INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN Allocated By States and Territories

		Alloca	ted By States and Territ		siness Only		
	•	1 Life	2	3 Disability Income	4 Long-Term Care	5	6
States, Etc.		(Group and individual)	Annuities (Group and individual)	(Group and individual)	(Group and individual)	Deposit-Type Contracts	Totals
1. Alabama							
2. Alaska							
3. Arizona	AZ		-				
4. Arkansas	AR						
5. California	CA						
6. Colorado	co						
7. Connecticut	СТ						
8. Delaware	DE						
9. District of Columbia							
10. Florida	FL						
11. Georgia	GA						
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. lowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana							
20. Maine	ME						
21. Maryland	MD						
22. Massachusetts	MA						
23. Michigan	MI						
24. Minnesota	MN		-			·	
25. Mississippi	MS		-			l	
						l	
26. Missouri							
27. Montana							
28. Nebraska	NE	V					
29. Nevada					 	 	
30. New Hampshire	NH		-		 	 	
31. New Jersey							
32. New Mexico	NM						
33. New York	NY						
34. North Carolina			-		ļ	ļ	
35. North Dakota	ND		-				
36. Ohio	ОН				ļ	ļ	
37. Oklahoma	ок						
38. Oregon	OR						
39. Pennsylvania							
40. Rhode Island	RI						
41. South Carolina	sc						
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah							
46. Vermont	VT				l	T	
47. Virginia			-		<u> </u>	<u> </u>	
48. Washington	WA					<u> </u>	
49. West Virginia			-		l	l	
50. Wisconsin	VV V						
							
51. Wyoming					<u> </u>	 	
52. American Samoa	A5		-		 	<u> </u>	
53. Guam	GU		-				
54. Puerto Rico							
55. U.S. Virgin Islands					ļ	ļ	
56. Northern Mariana Islands					ļ	ļ	
57. Canada			-				
58. Other Alien	OT				ļ	ļ	
59. Totals	1	0	0	0	1 0	0	

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SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

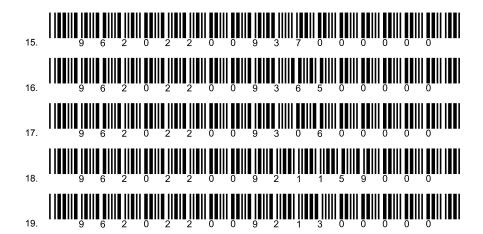
1	2	3	4	5	6	7	8	9	10	11	12	13
					Purchases, Sales or Exchanges of Loans, Securities, Real	Incurred in Connection with Guarantees or		Income/ (Disbursements)		Any Other Material Activity Not in the		Reinsurance Recoverable/ (Payable) on Losses and/or
NAIC Company	Federal ID		Shareholder	Capital	Estate, Mortgage Loans or Other	Undertakings for the Benefit of any	Management Agreements and	Incurred Under Reinsurance		Ordinary Course of the Insurer's		Reserve Credit
Code	Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Dividends	Contributions	Investments	Affiliate(s)	Service Contracts	Agreements	*	Business	Totals	Taken/(Liability)
47021 53007 47058 00000	52-2069215	CareFirst, Inc					414,829				414,829	
53007	53-0078070	Group Hospitalization & Medical Services. CareFirst of Maryland, Inc.			ļ		(40,514,361)	1,901,787			(38,612,574)	44,507,077
47058	52-1385894	CareFirst of Maryland, Inc.		(2,500,000)			256,947,152	(4,181,526)			250,265,626	(50,581,371)
00000	52-1635265	CFS Health Group		0 500 000			(2)	4 077 000			(2)	0.074.004
60113 00000	52-1962376 52-1187907	First Care, Inc		2,500,000			(5,481,561) (896,056)	1,977,688			(1,003,873) (896,056)	6,074,294
11227	52-118/90/	Willse & Associates			 		(896,056)	327,051			(896,056) (85,934)	
96202	52-2302725	CareFirst BlueChoice, Inc.			t		(167, 227, 174)	1,231,931			(165,995,243)	(700, 104)
00000	52-1330940	National Capital Administrative Services			T		(1,389,471)				(103,333,243)	(100,104)
00000	52-1330940 52-1118153	National Capital Insurance Agency. Inc.					(1 114 816)				(1.114.816)	
00000	20-1907367	Service Benefit Plan Admin Services Corp					(38,462,745)				(38.462.745)	
13130	52-1840919	National Capital Insurance Agency, Inc. Service Benefit Plan Admin Services Corp. The Dental Network, Inc.			<u> </u>		(1,862,810)	(1,256,931)		•	(3,119,741)	700 , 104
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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

nterro	gatory questions.	oog a.o
	MARCH FILING	Responses
1.		WAIVED
2.		YES
3.		YES
4.	Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? APRIL FILING	YES
5.	Will Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
7.		YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
vhich	llowing supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar cod pplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the in	e will be printed below. If
	MARCH FILING	
10.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	N0
11.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	N0
12.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	SEE EXPLANATION
14.		NO
15.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	N0
16.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
	APRIL FILING	
17.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
18.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
19.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
xpla	nation:	
0.		
1.		
2.		
3. No	ot applicable – company does not have 100 or more stockholders.	
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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES



OVERFLOW PAGE FOR WRITE-INS

M014 Additional Aggregate Lines for Page 14 Line 25. *EXEXP - Underwriting and Investment Exhibit - Part 3

	1	2	3	4	5
	Cost	Other Claim	General		
	Containment	Adjustment	Administrative	Investment	
	Expenses	Expenses	Expenses	Expenses	Total
2504. Miscellaneous expenses	(29,894)	(235,497)	1,922,027		1,656,636
2505. Interest claims expenses	`	19,305			19,305
2506. Management fee and investment expense	1,794,172	5,191,635	11,144,163		18,129,970
2507. Service Charges Inter-Plan Bank					L0
2508. IPSBB Inter-Plan Bank					L0
2597 Summary of remaining write-ins for Line 25 from Page 14	1 764 278	4 975 443	13 066 190	0	19 805 911

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E24

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E27

SI16

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Schedule DB - Part C - Section 1

Schedule DB - Part C - Section 2

Schedule DB - Part C - Section 3

Schedule DB - Part D - Section 1

Schedule DB - Part D - Section 2

Schedule DB - Part D - Section 3

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Schedule DB - Part F - Section 1

Schedule DB - Part F - Section 2

Schedule S - Part 1 - Section 2

Schedule S - Part 3 - Section 2

Schedule S – Part 2

Schedule S - Part 4

Schedule S - Part 5

Schedule S – Part 6

Schedule E - Part 2 - Cash Equivalents

Schedule E – Part 3 – Special Deposits

Schedule E - Verification Between Years

Schedule T – Part 2 – Interstate Compact

Schedule E - Part 1 - Cash

Schedule DB - Part E - Verification

Schedule DB - Part B - Verification Between Years

Schedule DB - Part C - Verification Between Years

Schedule DB - Part D - Verification Between Years

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